Chapter 2: Comparing Metrics from Different Marketing Techniques

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*B*y now, you may be asking yourself whether Web *metrics* (the science of measurement) are worth the trouble. They certainly matter if you have a business with a finite amount of time, money, or staff — which covers just about every business.

Metrics aren't about determining whether your company is the "best" in any particular marketing or advertising channel. They're about deciding which channels offer your company the best value for achieving your business objectives. Not to denigrate your instinct, but metrics are simply the most objective way to optimize your marketing effort.

REMEMBER

Marketing isn't rocket science. If your metrics show that a particular tactic is working, keep doing it. If they show it isn't working, try something else.

Establishing Key Performance Indicators

The most important items to measure — the ones that reflect your business goals and objectives — are *key performance indicators* (KPIs). They may vary by type of business, but after they're established, should remain consistent over time.

An e-retailer, for instance, may be more interested in sales by product category or at different price points, though a business-to-business (B2B) service company might want to look at which sources produce the most qualified prospects. The trick is to select five to ten relevant metrics for your business.

If something isn't measured, it cannot be evaluated. If it cannot be evaluated, it isn't considered important.

As you read this chapter, you can establish your own KPIs. Then in Book VIII, Chapter 3, you can turn your attention to how your various marketing efforts contribute to sales and leads, to your bottom line, and to the return on your investment (ROI). Armed with this information, you'll be in a position to make strategic business decisions about your marketing mix, no matter what size your company.

Enter at least one key performance indicator for each business goal on your Social Media Marketing Plan (Book I, Chapter 2). Some business goals share the same KPI. Schedule a review of the comparative metrics on your Social Media Activity Calendar (Book I, Chapter 3) at least once per month, or more often if you're starting a new endeavor or running a brief, time-constrained effort or you handle a large volume of traffic.

Overcoming measurement challenges

Measuring success among forms of social media, let alone between social media and any other forms of marketing, is a challenge. You're likely to find yourself comparing apples to not only oranges but also mangoes, pineapples, kiwis, pears, and bananas. In the end, you have to settle for a fruit salad or smoothie.

Install the same statistical software, whether it's Google Analytics or another package, on all your sites. Not all sites may have identical goals (for instance, users may not be able to purchase from your LinkedIn profile or request a quote from your wiki), but starting with the same software helps. In fact, the availability of compatible analytics packages may influence your selection of a host, development platform, or even Web developer.

Using A/B testing

You may want to apply *A/B testing* (comparing a control sample against other samples in which only one element has changed) to your forays into social media. Just as you might use A/B testing to evaluate landing pages or e-mails (see Book VIII, Chapter 1), you can compare results between two versions of a blog posting or a headline within one social media venue and keep all other content identical.

If you're comparing performance (click-throughs to your site) of content placed in different locations — for example, on several different social bookmarks or social news services — be sure to use identical content for greater accuracy.

REMEMBER

Don't rely on "absolute" measurements from any online source. Take marketing metrics with a shaker full of salt; look more at the trends than at the exact numbers. Be forewarned, though, that the temptation to treat "numbers" as sacrosanct is hard to resist.

To no one's surprise, an entire business has grown up around Web metrics. If you have a statistical bent, join or follow the discussions on the resource sites listed in Table 2-1.

Table 2-1	Online Metrics Resources	
Site Name	*URL*	*What It Offers*
ABtests.com	`www.abtests.com`	Help setting up A/B tests
BrianCray AB testing	`http://briancray.com/2009/08/04/ultimate-ab-testing-resources`	A/B testing resources
eMetrics	`www.emetrics.org`	Events and conferences on marketing optimization
MarketingExperiments	`www.marketingexperiments.com/improving-website-conversion/ab-split-testing.html`	Information on A/B split testing
Mashable	`http://mashable.com/2009/04/19/social-media-analytics`	Helpful analytics overview and links
Omniture	`http://www.omniture.com/en/resources/guides`	Best practice guides and white papers on analytics
Social Media Measurement Using Google Analytics	`www.slideshare.net/ArtWilbur/social-media-measurement-using-google-analytics`	Helpful slide show about implementing social media analytics
Web Analytics Association	`www.webanalyticsassociation.org`	Professional association for analytics practitioners

Table 2-1 *(continued)*

Site Name	URL	What It Offers
Web Analytics Demystified Blog	`http://blog.web analytics demystified.com`	Digital measurement techniques
Web Analytics World Blog	`www.webanalytics world.net`	Current news on the Web analytics front
webanalytics Forum	`http://tech.groups. yahoo.com/group/ webanalytics`	Discussion forum hosted by the Web Analytics Association
WebProNews	`www.webpronews.com`	Breaking news blog for Web profession- als, including analytics topics
Webtrends	`www.webtrends.com/ education.aspx`	White papers and Webcasts on analytics

Comparing Metrics across Social Media

We talk throughout this book about various genres of social media services. Each genre has its own, arcane measurements from hash tags to comments, from posts to ratings, from membership numbers to sentiment.

TIP

Use medium-specific metrics to gauge the efficacy of different campaigns within that medium or to compare results from one site within a genre to another.

However, to assess the overall effectiveness of social media efforts and your total marketing mix, you find common metrics that cross boundaries. Surprise! These common metrics look a lot like the statistics discussed in Book VIII, Chapter 1. By using the right tools, or by downloading analytics to a spreadsheet and creating your own graphs, you can compare data for various social media.

REMEMBER

Online traffic patterns may vary for all sorts of reasons and for different businesses. Watch for cyclical patterns across a week or by comparing the same timeframes a year apart. Merchants often do this for same-store sales to compare how a store is performing compared to past years.

Carefully aggregate measurements over exactly the same timeframe and dates. You obviously don't compare weekly data from a blog to monthly data for a Web site. But neither should you compare Tuesday traffic on one source to Saturday traffic on another, or compare November–December

clicks for an e-commerce site selling gift items (which is probably quite high) to January–February clicks (which are probably low). Compare, instead, to the same timeframes from the preceding year.

In most cases, these metrics become some of the KPIs on your list:

✦ **Traffic (visits):** The overall measure of the number of visits (not visitors) made to your site or to a particular social media presence over a set period. Twitter analytics from `http://getclicky.com` display this type of data; see Figure 2-1. Facebook Insights offers page administrators a limited set of similar data in its free analytics at `www.facebook.com/help/?search=insights`.

✦ **Unique users:** The number of different users (or, more specifically, IP addresses) who visited. Depending on your business model, you may want to know whether you have ten visits apiece from 100 ardent fans (multiple repeat users) or 1,000 users, each of whom drops in once. This type of detail is available for some, but not all, social media services.

✦ **Keywords:** The list of search terms or tags used to find a particular Web posting. Phrases are often more useful than individual words.

Figure 2-1:
Twitter analytics from the Clicky Web Analytics site include both Twitter-specific metrics and general traffic metrics.

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✦ **Referrers:** A list of traffic sources that tells you how many visitors arrive at your Web entities from such sources as search engines, other Web sites, paid searches, and many, but not all, other social media services. Some even identify referrers from Web-enabled cell phones. You can find this section in your analytics program. Track sources that include an identifying code in the link from the Entry Pages section. They can be aggregated and displayed graphically for easy review, as shown in Figure 2-2, in the traffic display from HubSpot.

Keeping track of users' paths among many components of a complicated Web presence isn't easy, but it's worth it. You may find that your marketing strategy takes B2B prospects from LinkedIn to your blog and then to a microsite. Or, you may watch B2C clients follow your offers from a social news service to a store widget on Facebook before they conclude with a purchase on your site. We talk more about tracking your links in the following section.

✦ **Click-through rate (CTR):** The number of click-throughs to your site from a particular source divided by the number of visitors (traffic) that arrived at that source. If 40 people view your Facebook stream in one day, for instance, and 4 of them click-through to your primary site, the CTR is 10 percent. You may need to derive this data by combining traffic measurements from particular social media services with information from the Referrers or Entry Pages sections of your analytics program. In some cases, the CTR becomes the conversion measure for a particular social media service.

Figure 2-2: The HubSpot reporting system for inbound marketing provides a graphical display of traffic aggregated by source category.
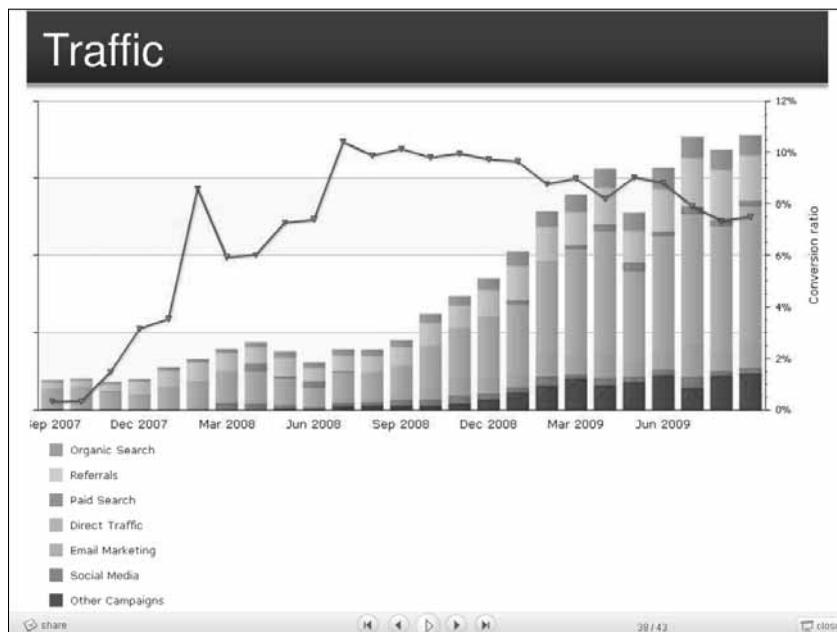

Courtesy HubSpot® www.HubSpot.com

Table 2-2 lists the key performance indicators you can track by genre and social media platform.

Table 2-2	Social Media by Genre and KPI	
Social Genre	*Site Examples*	*Useful KPIs to Check*
Bookmarking	Delicious, StumbleUpon	traffic, keywords, CTR
Community	Forums, Ning, Google Groups, Yahoo! Groups	traffic, users, time, keywords, CTR
Information	Blogs, webinars, wikis	traffic, users, time, keywords, referrers, CTR
Media sharing	Flickr, podcasts, YouTube	traffic, users, time, keywords, CTR
Network	Facebook, LinkedIn, MySpace, Twitter	traffic, users, time, keywords, CTR
News	Digg, reddit	traffic, keywords, CTR
Review	Angie's List, Epinions, TripAdvisor	traffic, CTR
Shopping	Kaboodle, ThisNext	traffic, keywords, CTR

Tagging links

Tagging your links with identifying code is especially helpful for tracking clicks that arrive from e-newsletters, e-mail, widgets, banner ads, and links from a phone because they otherwise aren't distinguishable in the referrer list. An unidentified referrer is usually displayed on a row with only a / (slash) in its name. This unspecified / category includes people who type your URL on the address bar of their browsers because they remembered it or were told about it or who have bookmarked your site.

To tag your links for tracking purposes, use the URL builder at `www.google. com/support/googleanalytics/bin/answer.py?hl=en&answer=55578`. Enter the referrer name, medium, keywords, content, and campaign name. You end up with a link that looks something like `http://www.yoursite. com/landingpage.html?utm_source=050110Ycoupon&utm_medium= mobile&utm_campaign=mothersday`. For more information, see `www. labnol.org/internet/design/google-analytics-track-clicks- emails-rss-feeds-web-pages/2476`.

If you have only a few such unspecified sources, simply adjust the inbound link to look like `www.yoursite.com/landingpage?src=tweet041510`, where the information after the question mark gives the source site and date or enough other content identification to distinguish the incoming link.

As far as the user is concerned, the link automatically redirects to the correct landing page, but you can count each distinctive URL in the Entry Pages section or, in the case of Google Analytics, by choosing Traffic Sources⇨Campaign. The process of tagging links may be time-consuming, but being able to monitor a particular campaign more accurately is worth your trouble.

REMEMBER

Generate a separate, unique shortened link for microblogging and mobile sites, if needed. *Always* test to ensure that the modified link works correctly.

Analyzing the clickstream

Clickstream analysis is a fancy name for tracking users' successive mouse clicks (the clickstream) to see how they surf the Web. Clickstream analytics are usually monitored on an aggregate basis.

Server-based clickstream analysis provides valuable insight into visitor behavior. For instance, by learning which paths users most frequently take on a site and which routes lead to sales, you can make changes in content and calls to action, as well identifying ways to simplify navigation and paths to checkout.

On a broader level, clickstream analysis gives you a good idea where your visitors were before they arrived at your Web site or social media service and where they went afterward.

REMEMBER

Aggregated data about user behavior or industry usage is useful as you design your social media marketing strategy. This analysis may also help explain why a campaign is or isn't working.
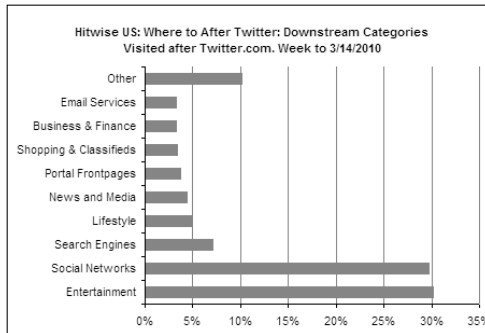
In the end, however, the only data that truly matters is the data that shows what's happening with your business, your Web presence, your customers, and your bottom line.

Figure 2-3 displays a clickstream analysis of where visitors went after checking tweets on Twitter in February 2010. (This data reflects only those who viewed tweets on `www.twitter.com`, not those who read them on their cellphones or who used a desktop client such as TweetDeck.) Interestingly, about 60 percent of tweet-readers clicked through to other social network and entertainment sites, but only about 12 percent visited shopping, business and finance, or lifestyle pages. The implication is that Twitter may not be the best place to generate new customers for certain types of businesses.

Clickstream data vary over time as users run hot and cold about a particular service, as the user population changes, or as a social media technique evolves. You can find a free open source tool for clickstream analysis of your Web site at `www.opensymphony.com/clickstream`. You can also set up a clickstream analysis for sites by using the "reverse funnel" on Google Analytics.

Figure 2-3:
Clickstream data from Experian Hitwise shows where visitors go after using Twitter.

Hitwise US: Where to After Twitter: Downstream Categories
Visited after Twitter.com. Week to 3/14/2010

Courtesy Experian Hitwise

TECHNICAL STUFF

Google Analytics lets you track outbound, downstream clicks from your own pages. Your programmer must tag all outbound links you want to track, which involves some JavaScript customization. Send your programmer to `www.google.com/support/googleanalytics/bin/answer.py?answer=55527` and `http://code.google.com/apis/analytics/docs/tracking/eventTrackerGuide.html` for more information. For additional help, take a look at `www.labnol.org/internet/design/google-analytics-track-clicks-emails-rss-feeds-web-pages/2476`. If you need to tag many external links, try the automated tagging solution at `www.iqcontent.com/blog/files/taglinks.js`. To see the number of clicks to each external link in Google Analytics, choose Content⇨Top Content Report and look under whatever category name your programmer set up to track these external links.

Integrating Social Media with Web Metrics

In addition to creating your hub Web site, you may have developed sites either as subdomains within your primary domain name or with auxiliary domain names. These sites may take several forms:

✦ **Microsites:** These small, dedicated sites that have their own domain names are usually developed for a specific event, product or product line, service, or another promotion, or as specialized landing pages for an advertising campaign. Whether the microsite is permanent or temporary, you must make a strategic choice to create one, judging cost, branding needs, SEO, and other marketing efforts against potential benefits.

✦ **Blogs:** All blogs and other information sharing sites, such as webinars and wikis, can be fully tracked with analytical software. Some sites, such as Ning and Blogger, offer full Google Analytics integration, but not all hosted solutions do so. Though you can obtain statistics from certain hosted communities or blogs (for example, `http://wordpress.org/extend/plugins/stats`), you may not be able to customize them or integrate them with your other statistics.

✦ **Communities:** All Ning communities, forums, chat rooms, and message boards fall into this category. Though they may have their own, internal statistics, also investigate whether you can customize those statistics to meet your needs before you select software or a hosted platform. For instance, Yahoo! (`http://groups.yahoo.com`) and Google Groups (`http://groups.google.com`) are inexpensive, user opt-in alternatives, but provide only limited statistics.

For statistical purposes as well as search engine optimization, you should own the domain names of these sites rather than host them on another server (`http://myblog.wordpress.com`). Sites can almost always be tracked with your preferred analytics package if they are separately registered domains (`www.mymicrosite.com`), were created as subdirectories (`http://blog.yourdomain.com`), or live within a directory (`www.yourdomain.com/blog/blog-title`).

The use of KPIs at these additional sites makes it easier to integrate what happens with social media with what happens after users arrive at your primary Web site. To complete the analysis, add a few more comparative indicators, each of which you can analyze independently:

✦ **Conversion rate:** You're already computing the percentage of visitors who complete tangible goals on your primary Web site, whether they purchase a product or complete a request form. Now compare the conversion rate (for the same available goal) by traffic source to the average conversion rate across all sources for that goal. Obviously, you can't compare goals, such as newsletter sign-ups, that may not be available on all social media channels or all your various Web entities. A Web development and IT integration company named non-linear creations shared its traffic and conversion data on its blog at `www.nonlinearcreations.com/blog/index.php/2008/04/08/case-study-comparing-marketing-effectiveness-of-linkedin-facebook-myspace-stumbleupon-and-twitter`, as shown at the top of Figure 2-4. You might want to have your programmer implement a similar graphic method of reporting. Of course, your results may be very different.

✦ **Sales and lead generation:** These numbers may come from your storefront package or be based on measurements tracked offline. We discuss them in greater depth in Book VIII, Chapter 3.

✦ **Downloads:** Track the number of times users download video or audio files, slide show PDF files, white papers, or application forms from your sites.

To track downloads, see `www.labnol.org/internet/design/google-analytics-track-clicks-emails-rss-feeds-web-pages/2476` or `www.google.com/support/googleanalytics/bin/answer.py?answer=55529&topic=11006`. If you have a lot of downloads, try the automated solution at `www.goodwebpractices.com/roi/track-downloads-in-google-analytics-automatically.html`.

Figure 2-4:
The non~linear creations site analyzed its inbound traffic from all types of referrals (upper left). Then it compared conversion rate (upper right), pages per visit (lower left), and time on site (lower right) for individual social media sources against site visitors overall.
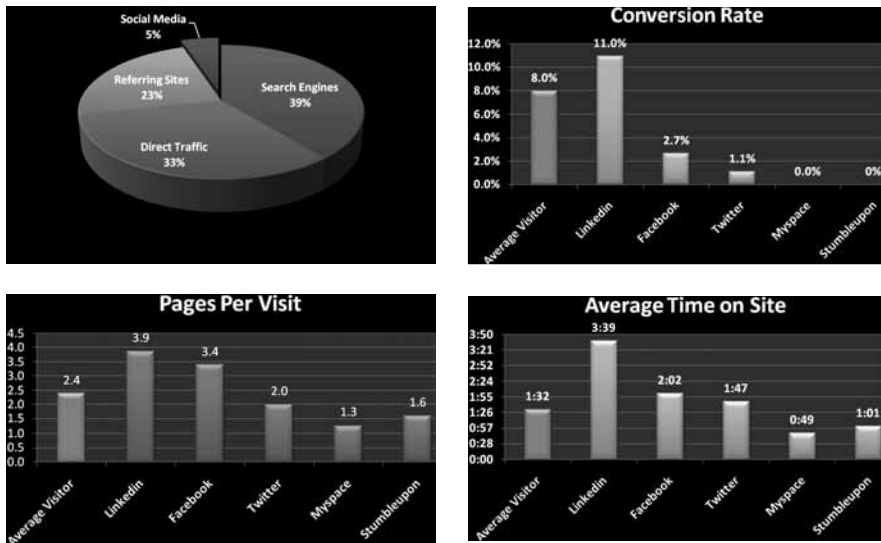
Courtesy non~linear creations inc.

✦ **Pages per view, pages viewed:** Microsites, communities, and blogs usually offer enough content to make these parameters reasonable to measure. Tracking this information by social media source, however, as shown in the lower left area of Figure 2-4, can be valuable. Page views are available for most blogs and Ning sites, but not necessarily for all other services.

✦ **Time per visit:** The average length of time spent viewing material (refer to the lower right area of Figure 2-4), is a good, but not exact, proxy for the number of pages per view. Naturally, users spend less time reading a single tweet than they might spend on your blog or Web site, but fractions of a second are indications of trouble everywhere.

✦ **Bounce rate:** For another indication of interest in your content, determine the percentage of visitors who leave without visiting a second page (related to time per visit). As with pages per view or time per visit, the bounce rate may be a bit misleading. If many people have bookmarked a page so that they can immediately find the information they want, your

bounce rate may be higher than expected, though pages per view or time per visit may be low. You may want to sort bounces by upstream source.

Using Advertising Metrics to Compare Social Media with Other Types of Marketing

Because you generally don't pay social media services, social media marketing is incredibly appealing as a cost-effective substitute for paid ads. You can convert the advertising metrics in the following sections to compare the cost effectiveness of your various social media efforts or to analyze social media outlets versus other forms of promotion, online and off.

Obtaining metrics for paid advertising

With the exception of pay-per-click advertising, which exists only online, the metrics used for paid advertising are the same whether you advertise online or offline. Most publishers offer advertisers a *media kit* that includes demographics, ad requirements, and ad rates based on one or more pricing models.

Advertising costs vary over time based on demand and availability and the overall economy. Ad prices are generally based on "what the market will bear." New, real-time bidding schemes for online advertising may make prices even more volatile. Life is negotiable in many advertising marketplaces, except for those that operate as self-service networks. It never hurts to ask for what you want. For more information, see *AdWords For Dummies,* by Howie Jacobson, PhD, or *Advertising For Dummies,* 2nd Edition, by Gary Dahl.

Many social media sites don't charge for posting content because their true goal is to sell either premium services or advertising. Your content generates what they sell: an audience. The more user "eyeballs" a social media service can deliver to its advertisers, the greater its own advertising revenue. In essence, you manufacture their product in exchange for getting some of that traffic for yourself.

CPM

Cost per thousand (CPM) impressions, one of the most consistently used metrics in advertising, work across all forms of media. CPM is based on the number of times an ad is viewed whether it's calculated for ads on TV, billboards, or in print magazines, received as dedicated e-mails, or viewed on Web pages.

CPM is simple to calculate: Divide the cost by $\frac{1}{1000}$ (.001) of the number of impressions (views). The more narrowly defined the audience, the higher the CPM. You can find a handy CPM calculator at `www.clickz.com/cpm_calculator`.
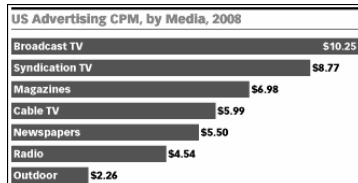
For instance, the CPM for a 30-second Super Bowl ad in 2010 averaged about $2.60, but the true cost of an ad was high because the worldwide audience was huge. By contrast, CPM for a small, highly targeted audience of CEOs in high-tech companies may run $100 or more.

TECHNICAL STUFF

Computing other factors given the CPM is easy. For example, for the total cost of the Super Bowl ad, multiply the CPM ($2.60) by the number of viewers divided by 1,000 (1 billion worldwide viewers divided by 1,000 = 1 million) for an average cost of $2.6M. That's roughly 1⁄4-cent per impression (divide CPM by 1,000 = 0.26 cents), but you still need deep pockets for a Super Bowl buy.

Because you may have difficulty tracking from impression to action in some channels, CPM models are often used to measure branding campaigns. Figure 2-5 shows the average CPM for a variety of media. CPM rates for online media are all over the place; eMarketer put them at $2.46 in 2008 in their analysis at `www.emarketer.com/Article.aspx?R=1007053`.

Figure 2-5:
The average CPM for digital media in 2008 puts its cost between outdoor (billboard) advertising and radio.

US Advertising CPM, by Media, 2008

Broadcast TV	$10.25
Syndication TV	$8.77
Magazines	$6.98
Cable TV	$5.99
Newspapers	$5.50
Radio	$4.54
Outdoor	$2.26

Courtesy eMarketer

CPA and CPC

Compare CPM with a *cost-per-action* (CPA) advertising model and its subset, *cost-per-click* (CPC) ads. CPA advertising triggers payment only when a user takes a specific action, such as downloads a white paper, signs up for a newsletter, registers for a conference, or becomes a fan, friend, or follower. At the far end of the CPA spectrum, when CPA is based on a user purchase, it approaches a sales commission model.

TIP

In the classic definition of CPA, CPC, and CPM, rates don't include the cost of producing an ad, the commission paid to an agency, or your own labor to research and review ad options. From a budget point of view, you need to include all these factors in your cost estimates.

A Web-only metric, CPC (or sometimes *PPC,* for pay-per-click), falls within the CPA model because advertisers are charged only when a viewer clicks a link to a specified landing page. The CPC model is often used for not only ads in the rightmost columns of search engines but also clicks obtained from banner, video, and online classified ads and from shopping comparison sites and paid directory listings. For additional resources for paid online advertising, consult Table 2-3.

Table 2-3	Online Advertising Resources	
Name	*URL*	*What You Can Find*
Adotas	`http://research.adotas.com`	Online advertising research and news
AdRatesOnline	`www.adratesonline.com`	Sample rates for online advertising of various types and sizes
Advertising.com	`https://publisher.advertising.com/affiliate/glossary.jsp`	Glossary of interactive marketing terms
DoubleClick	`www.doubleclick.com/insight/research/index.aspxa`	Research reports
iMedia Connection	`www.imediaconnection.com/adnetworks/index.asp`	Resources for online advertising
Internet Advertising Bureau	`www.iab.net/iab_products_and_industry_services/1421/1443/1452`	List of standard online ad sizes
Internet Advertising Competition	`www.advertisingcompetition.org/iac`	Annual Internet ad competition sponsored by The Web Marketing Association
The Webby Awards	`www.webbyawards.com/webbys/categories.php#interactive_advertising`	Online ad competition
WebsiteTips.com	`http://websitetips.com/articles/marketing/#banner-ads-tutorials`	Banner ad tutorials
Word of Mouth Marketing Association	`http://womma.org`	Membership group, resources, events

REMEMBER

Always ask which statistics a publisher provides to verify the results of your ads. Some confirm impressions as well as clicks or other actions (check against your own analytics program); some provide only impressions; and some publishers cannot — or will not — provide either one.

Even if you pay a flat fee, such as for an annual directory listing, you can compute CPC and CPM after the fact, as long as the publisher provides you with the number of impressions and you can identify click-throughs.

Reach

Reach is the estimated number of potential customers (qualified prospects) you can target in a specific advertising medium or campaign. You can apply the concept of reach, by extension, to specific social media channels, anticipated traffic on your Web site, or other populations, such as the addresses on your e-mail list. Reach is sometimes expressed as a fraction of the total audience for an advertising campaign, for example, potential customers divided by total audience.

The number of potential customers may be the total number of viewers in a highly targeted campaign, or only a segment of them. In the case of the Super Bowl example in the earlier section on "CPM," for instance, a beer ad may be targeted at males ages 25 to 64; only that demographic percentage of the audience is calculated in reach. (For the Super Bowl, 64 percent of viewers were male, 75 percent of whom were in the target age group, making the worldwide reach 480 million.)

TIP

For the best results, identify advertising venues where the number of potential customers (reach) represents a large share of potential viewers (impressions). Return to your early market research for viewer demographics from Quantcast or Alexa.com, or review media kits to estimate the reach of each publication or social media site you're considering.

Applying advertising metrics to social media

Because publishers receive no payments for most social media appearances, comparing "free" social media marketing to paid advertising requires a little adjustment. How can you compare the CPM or CPC for something that's free versus something you pay for? Though you can acquire information about page views *(impressions),* clicks, and other actions (conversion goals) from your analytics program, cost requires a little thought.

One possibility is to modify the cost of advertising to include labor and hard costs for production, management, and commission and any fees for services, such as press release distribution. Then estimate the hard costs and the amount of work in labor dollars required to create and maintain various elements of your social media presence. If you outsource the creation of ads or social media content to contractors such as copywriters, videographers, photographers, or graphic designers, include those expenses.

Don't go crazy trying to calculate exact dollar amounts. You simply estimate the relative costs of each medium or campaign to compare the cost-effectiveness of one form of promotion to another. Social media marketing may be relatively inexpensive, but if you see only one action or impression after 20 hours of labor, you need to decide whether it's worth it.

Juxtaposing Social Media Metrics with Other Online Marketing

Regardless of any other online techniques you use, you can combine links with source tags, analytics program results, and advertising metrics to compare social media results to results from other online techniques.

Refine your list of KPIs for these elements:

✦ **E-mail newsletters:** Whether you use your own mailing list or rent one, you measure

- *Bounces:* Bad e-mail addresses

- *Open rate:* The percentage of good addressees that open your newsletter, roughly equivalent to reach as a percentage of impressions

- *Click-through rate, or CTR:* The percentage of people who click through to a Web page after opening a newsletter

- *Landing pages:* Where newsletter recipients "went"

Well-segmented, targeted lists result in better reach. If you rent lists, be sure to include the acquisition cost per thousand names, as well as the transmission cost, in your total cost for CPM comparison. Most newsletter services and list-rental houses provide all these metrics.

✦ **Coupons, promotion codes:** Online coupons can be tracked similarly to regular banner ads. However, for both promotion codes and coupons, track which offers produce the best results, which are almost always sales or registrations.

✦ **Press releases:** Sometimes press releases are hard to track online because many free press distribution services don't provide information on page views or click-throughs. By contrast, most paid distribution services tell you the click-through rate and the number of impressions (or number of times someone viewed your release) on their servers. Though these services can tell you where the release was distributed, they don't know what happened afterward. A press release is a good place to include an identifier in the links as described earlier in the "Tagging Links" section. The tag enables you to track entry pages. You may also see a spike in daily or hourly traffic to your site shortly after the distribution time.

✦ **Product placement in games and other programs:** Advertisers can now place the equivalent of banner ads or product images within online video games. If the ads are linkable, you can find the CTR and impressions to calculate CPM and CPC. Offline games with product placement must be treated as offline marketing elements.

✦ **Online events:** Track live concerts, chats, speeches, and webinars with KPIs for registration — request an e-mail address, at minimum — even if the event is free. Though not everyone who registers attends, this approach also provides a helpful set of leads and a built-in audience to notify of future events. Of course, you can also check referrers and entry pages.

✦ **Disaggregated components, such as third-party blogs, chat rooms, Gmail ads, RSS feeds, regular e-mail, or instant messaging:** Tagged links that pass through from these forms of communication probably comprise your best bet, though Google lets you track other elements of Gmail (`www.labnol.org/internet/email/track-gmail-with-google-analytics/8082`). Incorporate a special tag for links forwarded by others, though you might not be able to tell how they completed the forwarding (for example, from a Tell-a-Friend feature versus retweeting). It all depends on what you're trying to measure.

TIP

Be sure to register for optional analytics when you install a Share function from sites such as AddThis or ShareThis, which integrate with Google Analytics. Then you can see where and how often users forward your link through these services.

Contrasting Word-of-Web with Word-of-Mouth

Word-of-mouth is, without a doubt, the most cost-effective form of advertising. Ultimately, that force powers all social media, with its peer-to-peer recommendations and referrals.

Seminal research on word-of-mouth done in the 1990s by TARP Research — long before the advent of social media — offers several sobering statistics:

✦ People will tell twice as many friends about a bad experience as about a good one.

✦ On average, an unhappy customer tells ten people about his experience.

✦ Each of those ten people tells another five, so a total of 60 people hear about someone's bad experience.

✦ Thirteen percent of unhappy customers tell at least 20 other people.

Now, multiply those numbers by the power of the Web, for good or ill. These days, a happy customer may tell five friends, but a posting by an unhappy customer may inform thousands. The moral of the story: Keep your customers happy!

You can monitor mentions of your company online and the tone of those responses, as discussed in Book II.

Your analytical task here is to compare the efficacy of "word-of-Web" by way of social media to its more traditional forms. Tracking visitors who arrive from offline is the trickiest part. These visitors type your URL in the address bar of their browsers either because they've heard of your company from someone else (word-of-mouth) or as a result of offline marketing.

Offline marketing may involve print, billboards, radio, television, loyalty-program keychain tags, promotional items, packaging, events, or any other great ideas you dream up.

By borrowing the following techniques from direct marketing, you can find ways, albeit imperfect, to identify referrals from offline sources or other individuals:
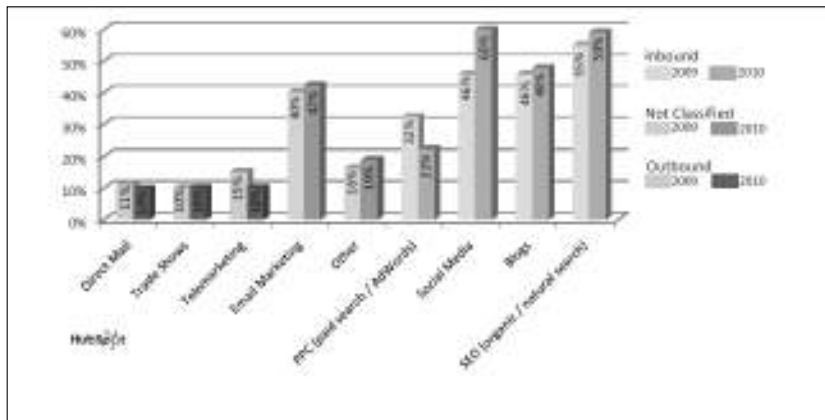
- ✦ **Use a slightly different URL to identify the offline source.** Make the URL simple and easy to remember, such as `yourdomain.com/tv`, `yourdomain.com/wrapper`, `yourdomain.com/nyt`, or `yourdomain.com/radio4`. These short URLs can show viewers a special landing page — perhaps one that details an offer or a contest encouraged by an offline teaser — or redirect them to an existing page on your site. Neither those long, tagged URLs that are terrific for online sourcing nor those hard-to-remember shortened URLs are helpful offline.

- ✦ **Identify referrals from various offline sources.** Use different response e-mail addresses, telephone numbers, extensions, or people's names.

- ✦ **Provide an incentive to the referring party.** "Tell a friend about us. Both of you will receive $10 off your next visit." This technique can be as simple as a business card for someone to bring in with the referring friend's name on the back. Of course, the card carries its own unique referral URL for tracking purposes.

- ✦ **Stick to the tried-and-true method.** Always ask, "May I ask how you heard about us?" and tally the results.

You can then plug these numbers into a spreadsheet with your online referral statistics to compare offline methods with online social media.

HubSpot (`www.hubspot.com`) compared the subjective importance of various sources of B2B leads by marketing channel, including some offline activities, in its survey *The State of Inbound Marketing 2010*. The results, shown

in Figure 2-6, show that marketing professionals view online activities as more important sources of leads than traditional offline marketing venues, with social media and natural search seen as the most important, followed closely by blogs and e-mail. Think about where you're spending your marketing dollars.

Figure 2-6:
Rating the importance of various marketing channels for generating B2B leads in 2009 versus 2010, including some, but not all, offline marketing channels.

Courtesy HubSpot® www.HubSpot.com